

REDACTED FOR PUBLIC INSPECTION

July 2, 2012

FILED/ACCEPTED

Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

JUL 2 2012
Federal Communications Commission
Office of the Secretary

Re: Midcontinent Communications
WC Docket No. 10-90
Annual Report for High Cost Fund Support Recipients Under Section 54.313

Ladies and Gentlemen:

On behalf of our client Midcontinent Communications ("Midcontinent"), I am transmitting to you herewith the report for recipients of high cost support required by Section 54.313 of the Commission's Rules.¹ In accordance with the *USF/ICC Clarification Order*, as a state-certified eligible telecommunications carrier, Midcontinent is required to submit the reports it has filed with the certifying states rather than providing the information under Section 54.313(a)(2) to (6). Midcontinent is providing copies of the reports that it submitted in North Dakota and South Dakota, the two states where it receives high cost support as a competitive eligible telecommunications carrier. These reports are attached to this letter as, respectively, Attachment 1 and Attachment 2.

Please inform me if any questions should arise in connection with this report.

Respectfully submitted,



J.G. Harrington
Counsel to Midcontinent Communications

JGH/rkk
Attachments (2)
cc (w/attach.): Universal Service Administrative Company

¹ See "WCB announces July 2 deadline for ETCs to file reports per 54.313(a)(2)," *Public Notice*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92 and 96-45, WT Docket No. 10-208, DA 12-729 (May 8, 2012) (setting deadline for 2012 reports).

Attachment 1

Midcontinent North Dakota Report

REDACTED FOR PUBLIC INSPECTION



3901 North Louise Avenue
Sioux Falls, South Dakota 57107

June 20, 2012

Patrick Fahn, Director
Compliance and Competitive Markets
Public Service Commission
600 E Boulevard Avenue
Bismarck, North Dakota 58505-0480

RE: ETC Certification

Dear Mr. Fahn:

Enclosed please find an Affidavit from Midcontinent Communications as required certifying that all Universal Service support funds received by Midcontinent during 2013 will be used only for the provision, maintenance, and upgrading of facilities and services in accordance with Section 254(e) of the Telecommunications Act of 1996 and per Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and the Fourteenth Report and Order.

Sincerely,

Mary Lohnes
Regulatory Affairs Manager
Midcontinent Communications
(605) 357-5459
mary_lohnes@mmi.net

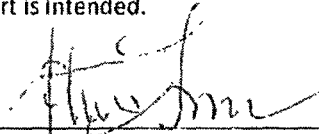
cc: Patrick Durick

Over Fifty Years of Service

State of Minnesota)
)ss
County of Hennepin)

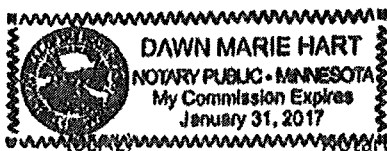
AFFIDAVIT

As an officer of Midcontinent Communications, I, Steven E. Grosser hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 Section 254(e), the Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Fourteenth Report and Order. This is in respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support. I hereby affirm that any such support amounts received by Midcontinent Communications during 2012 will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.



Steven E. Grosser
Chief Financial Officer
Midcontinent Communications

Subscribed and sworn to before me this 21 day of June, 2012.


Notary Public

Print Name: Dawn Marie Hart
My Commission Expires: January 31, 2017

Attachment 2

Midcontinent South Dakota Report

REDACTED FOR PUBLIC INSPECTION

DAVENPORT EVANS

LAWYERS

DAVENPORT, EVANS, HURWITZ & SMITH, LLP

206 WEST 14TH STREET • P.O. BOX 1030 • SIOUX FALLS, SOUTH DAKOTA 57101-1030
T: (605) 336-2880 • F: (605) 335-3639 • WWW.DEHS.COM

May 29, 2012

KATHRYN E. FORD
Direct Dial: 605-357-1246
E-mail: kford@dehs.com

VIA E-MAIL

Ms. Patricia Van Gerpen
SD Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Avenue
Pierre, SD 57501-5070

RE: 2012 ETC Certification – Midcontinent Communications

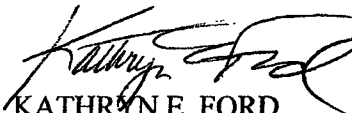
Dear Ms. Van Gerpen

Attached for filing with the South Dakota Public Utilities Commission is the Annual ETC Certification Filing and Submittal Pursuant to ARSD § 20:10:32:52. Please note that **Exhibits A, B and C are confidential** and Exhibits D and E are not confidential. A copy of the Affidavit of Nancy Vogel is also included with this filing.

If you have any questions, please do not hesitate to contact me.

Best regards.

Sincerely,


KATHRYN E. FORD
For the Firm

KEF:jkd
Enclosures

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE REQUEST OF)
MIDCONTINENT COMMUNICATIONS FOR) ANNUAL ETC CERTIFICATION
CERTIFICATION REGARDING ITS USE OF) FILING AND SUBMITTAL
FEDERAL UNIVERSAL SERVICE SUPPORT) PURSUANT TO ARSD §20:10:32:52

Midcontinent Communications ("Midcontinent"), by and through its attorney, makes this filing to seek certification from the South Dakota Public Utilities Commission (the "Commission") as is required under 47 C.F.R. § 54.314 and to comply with the Commission's rules pertaining to ETCs, including the provisions of ARSD §§ 20:10:32:52, 20:10:32:54, and 20:20:32:55. As part of this filing, Midcontinent offers the following:

1. Pursuant to 47 C.F.R. § 54.314, each carrier that has been designated as an eligible telecommunications carrier ("ETC") that is eligible to receive future federal universal service support must file an annual certification with the FCC and the Universal Service Administrative Company ("USAC") stating that federal high-cost support provided to the carrier will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. This certification requirement applies to various categories of federal universal service support, including support provided pursuant to 47 C.F.R. §§ 54.301, 54.305, and/or 54.307, and/or 47 C.F.R Part 36, Subpart F (high-cost loop support, local switching support, safety net additive support and safety valve support). Support provided under these FCC rule provisions will only in the future be made available if the State Commission files the requisite certification pursuant to 46 C.F.R. § 54.314.

2. The certification required to receive federal universal service support for all four quarters during calendar year 2013 is currently due to be filed with the FCC and USAC on or before October 1, 2012. The certification may be presented to these entities in the form of a letter from the State Commission. The letter must identify which carriers in the State are eligible to receive federal support during the 12-month period and must certify that the carriers listed will

only use the support for the provision, maintenance and upgrading of facilities and services for which the support is intended.

3. Midcontinent is a competitive local exchange telephone company that has previously been designated by this Commission as a Competitive ETC. Midcontinent provides local exchange telephone services, including all of the essential services that are included in federal definition of universal service within its established service area in South Dakota.

4. As required by the provisions of ARSD § 20:10:32:43.01, Midcontinent is committed to providing service throughout its existing service areas to all customers making a reasonable request for service. Midcontinent has, since June 29, 2004, served as a competitive eligible telecommunications carrier within its established service areas. Midcontinent already has extended wireline local exchange network facilities throughout its service area as necessary to make all essential local exchange services that are support by federal universal service available to end-user customers within its service area. Consistent with its past practice, Midcontinent hereby certifies that it will provide service on a timely basis to all requesting customers within its designated ETC service area. In certain cases, the provisioning of this service may require a customer in a new location to first meet the requirements of Midcontinent's line extension policies. These line extension policies are, however, consistent with the requirement under both federal and state law to meet all reasonable requests for service. In those areas Midcontinent cannot provide service on its own facilities there are agreements with the ILEC to lease or resell services. In 2011, Midcontinent fulfilled all requests for telephone service in its service area. Midcontinent certifies that it is complying with applicable service standards and consumer protection rules. Midcontinent also certifies that in those exchanges where service is being offered, it offers local usage plans comparable to the incumbent local exchange provider.

5. Midcontinent certifies that it has the ability to remain functional in emergency situations as required by the provisions of ARSD § 20:10:32:43.03. Midcontinent is currently in compliance with this Commission's "auxiliary and battery power requirements" set forth in ARSD 20:10:33:19.

6. The provisions of ARSD § 20:10:32:54 addressing the annual “Certification requirements” set forth by this Commission indicate in part that the Competitive ETC must show “how much universal service support was received.” Accordingly, attached hereto as CONFIDENTIAL Exhibit A is information indicating “Year 2011 Federal Universal Service Receipts” received by Midcontinent. This same CONFIDENTIAL Exhibit also shows total expenditures of Midcontinent in 2011 related to the provision, maintenance and upgrading of the facilities and services that are supported by Federal Universal Service Funding and further estimates these same expenditures for calendar years 2012 2013, and 2014. Consistent with federal universal service principles, Midcontinent will use federal universal service amounts received in those years to offset expenditures for those years. This use of federal universal service support will enable Midcontinent to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged for the same services in urban areas; and (2) to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

7. Midcontinent certifies that it does provide equal access to long distance carriers.

8. In addition to the information included in CONFIDENTIAL Exhibit A, the following information is provided to meet the Commission’s “Certification requirements” set forth in 20:10:32:54:

- Midcontinent’s service quality improvement plan is to continue to upgrade its telecommunications facilities and equipment as necessary to meet evolving service requirements and maintain high quality service throughout its service area. As a competitive local exchange carrier, Midcontinent upgrades and replaces facilities and equipment as necessary. In furtherance of its service quality improvement plan, Midcontinent will use any high-cost universal service amounts received by it to offset expenditures incurred as it continues to upgrade and replace facilities and equipment. Midcontinent’s Actual Capital Expenditures for 2011 and Estimated 2012 Capital Expenditures are attached as CONFIDENTIAL Exhibit B. Midcontinent’s “two-year service quality improvement plan,” required under the provisions of ARSD 20:10:32:54, is attached hereto also as part of CONFIDENTIAL Exhibit B.

- During calendar year 2011, Midcontinent did experience service outage affecting at least 10 percent of its end user customers, for a period lasting longer than 30 minutes. Detailed information is in CONFIDENTIAL Exhibit C.
- Midcontinent was able to provide service to all potential customers that requested service during 2011, and as of December 31, 2011, Midcontinent had no unfulfilled requests for service.
- During 2011, complaints were received by Midcontinent Communications as outlined in Exhibit C

9. An eligible telecommunications carrier, under 20:10:32:55, is also required to demonstrate annually of its Lifeline and Link-up assistance program outreach. Midcontinent's Lifeline and Link-Up outreach program includes information and application form on its website, www.midcocomm.com.

Midcontinent's telephone service brochures and the handbooks, Exhibit E, provided to new telephone customers provide information on the availability of Lifeline and Link-up assistance. Also, at least annually Midcontinent advises customers of the program through its statement message. During 2011 messages ran in January and April. Midcontinent also ran commercial spots on cable TV on 1/8/11-1/22/11 and 6/23/11-7/9/11. A print copy of the advertisement is in Exhibit D.

As required by the FCC, Midcontinent did conduct an audit of its customers in July and August 2011.

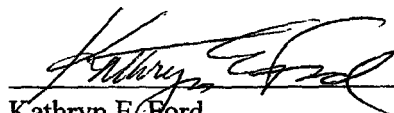
10. Attached is an Affidavit containing certification, including those required under the provisions of ARSD §§ 20:10:32:54(6), 20:10:32:54(7), and 20:10:32:54(8) and 20:10:32:54(9).

11. Based on all of the forgoing information, including the information provided on Confidential Exhibits A, B, and C, Midcontinent requests that this Commission issue an appropriate certification to the FCC and USAC indicating that Midcontinent Communications is in compliance with 47 U.S.C. § 254(e) and should receive all federal universal service support determined for distribution to Midcontinent in 2013. In order to ensure that certification is

issued to the FCC prior to October 1, 2012, Midcontinent would further ask the Commission to expedite the process that is initiated based on this filing.

Dated this 24th day of May, 2012.

DAVENPORT, EVANS, HURWITZ &
SMITH, L.L.P.

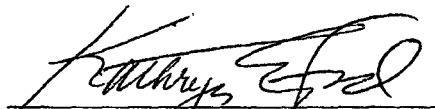

Kathryn E. Ford
206 West 14th Street
P. O. Box 1030
Sioux Falls, SD 57101-1030
Telephone (605)336-2880
Fax No.: (605)335-3639
Attorneys for Midcontinent Communications

CERTIFICATE OF SERVICE

The undersigned, one of the attorneys for Midcontinent Communications, hereby certifies that a true and correct copy of the foregoing Annual ETC Certification Filing and Submittal Pursuant to ARSD §20:10:32:52 was served by electronic filing upon the following:

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
E-mail: patty.vangerpen@state.sd.us

Dated this 24th day of May, 2012.


Kathryn E. Ford

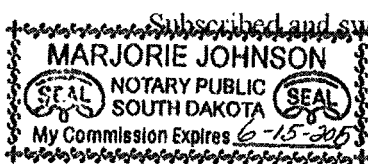
State of South Dakota)
)ss
County of Minnehaha)

AFFIDAVIT

As an authorized representative of Midcontinent Communications, I, Nancy Vogel hereby affirm familiarity with and an understanding of the requirements of the Federal Communications Act of 1934 as amended by the Telecommunications Act of 1996 with respect to the receipt of any federal universal service funds received as high-cost loop support, local switching support, safety net additive support, and/or safety valve support and hereby affirm that any such support amounts received by Midcontinent Communications will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with 47 U.S.C. §254(e).

Midcontinent further certifies that under ARSD 20:10:32:54 (6), (7), (8), and (9), it provides equal access within its service area, it is in compliance with requirements for service quality standards and can perform under emergency situations. Midcontinent certifies that it provides consumer protection and has comparable local usage plan offered by the incumbent local exchange carrier.

Nancy G. Vogel
Nancy Vogel



Marjorie Johnson
Notary Public

(SEAL)

Notary Print Name: MARJORIE JOHNSON
My Commission Expires: JUNE 15, 2015

Exhibit A Redacted

REDACTED FOR PUBLIC INSPECTION

Exhibit B Redacted

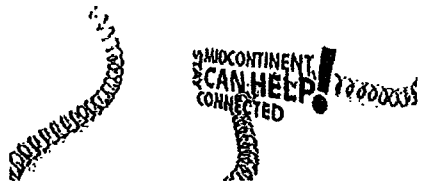
REDACTED FOR PUBLIC INSPECTION

Exhibit C Redacted

REDACTED FOR PUBLIC INSPECTION

Client: Midcontinent
Spot Number: MC-TELE 710-1sf v3
Title: Telephone Assistance Plan
Length: :30

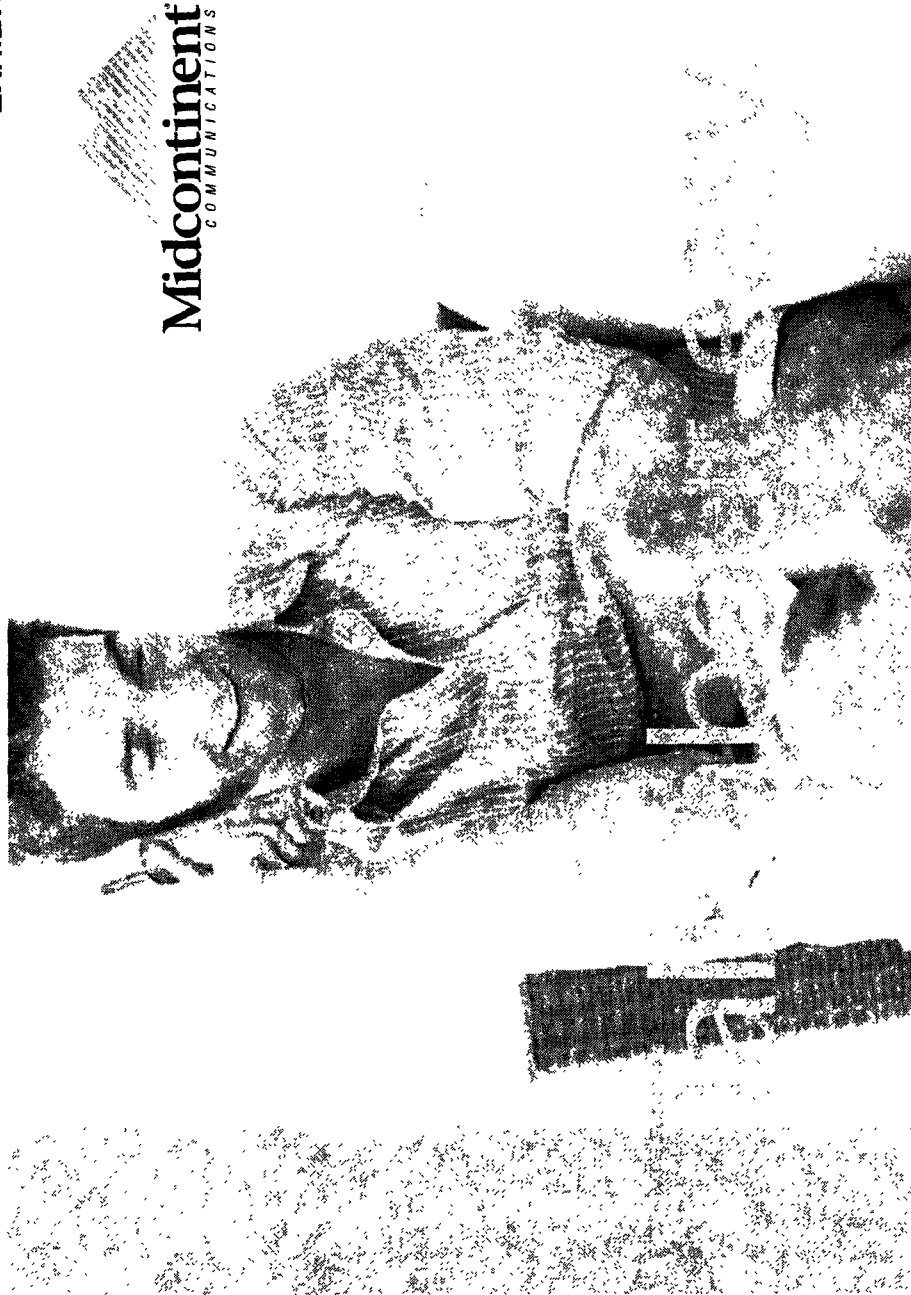


Video	AUDIO
<p>Use file phone5 backwards</p> <p>Text will appear during slow motion frames, from the front and go to infinity, please make text look 3D</p> <p>CG: MIDCONTINENT CAN HELP YOU STAY CONNECTED</p> <p>LINK-UP AMERICA UP TO 50% REDUCTION ON INSTALLATION FEES</p> <p>LIFELINE ASSISTANCE REDUCED MONTHLY SERVICE RATES</p> <p>This will appear after cord wraps around and disappears at the end (Midco logo) 1-800-888-1300</p> <p>Concept: Camera following phone cord through 3D space. Winding and dipping through the loops. Slow down to slow motion at each of the CGs. Continue with regular speed through 3D space until next CG, etc.</p> 	<p>For some the telephone is a lifeline to the outside world.</p> <p>Midcontinent offers assistance programs to help low-income subscribers stay connected. Customers can easily apply for aid to help with their phone bill using 2 programs.</p> <p>Link-Up America provides eligible subscribers up to half off their telephone service installation.</p> <p>Midcontinent also offers Lifeline Assistance to provide low-income customers reduced monthly rates.</p> <p>To find out if you qualify, call 1-800-8-8-8-1300 (thirteen-hundred), or go to our website at midco comm dot com.</p>

Approved By: _____ Date: _____

By signing this you are agreeing the script is approved and ready for voice. If revisions are needed afterwards, a \$30 charge will be required.

EXHIBIT E



Midcontinent
COMMUNICATIONS